SENATE RECORD VOTE ANALYSIS

104th Congress — November 14, 1995, 4:24 p.m.
1st Session — **Vote No. 574** — Page S-17035 Temp. Record

ALASKA POWER ADMINISTRATION CONFERENCE/Passage

SUBJECT: **Conference report to accompany the Alaska Power Administration Sale Act . . . S. 395. Agreeing to the conference report.**

ACTION: CONFERENCE REPORT AGREED TO, 69-29

SYNOPSIS: The conference report to accompany S. 395, the Alaska Power Administration Sale Act, will direct the Secretary of Energy to sell the Alaska Power Administration's (APA's) assets and terminate the APA, will repeal the current prohibitions on the export of Alaskan North Slope oil, and will provide royalty relief for oil and gas production on the outer continental shelf (OCS) in the Gulf of Mexico. Specific provisions include the following:

- the Secretary of Energy will sell the Snettisham Hydroelectric Project near Juneau, Alaska, to the State of Alaska;
- the Secretary of Energy will sell the Eklutna Hydroelectric Project near Anchorage, Alaska, to the Municipality of Anchorage, the Chagach Electric Association, and the Matanuska Electric Association;
- both power plants will be exempt from Federal Energy Regulatory Commission licensing requirements, but will continue to be bound by previous agreements entered into with the Federal Government to protect fish and wildlife;
- the President will determine within 5 months whether allowing the export of Alaskan North Slope oil is in the national interest;
- if the President determines such exports are in the national interest, he will be able to set terms and conditions on those exports consistent with the national interest (though he will be prohibited from setting a volume limitation);
- Alaskan North Slope oil that is exported will only be transported on vessels documented under United States law, unless the destination is either a country which currently is eligible to receive oil under a bilateral oil supply agreement or a country that is a signatory to the International Emergency Oil Sharing Plan;
- the President will be able to modify or revoke authority to export Alaskan oil if it causes substantial job loss;
- the General Accounting Office will study the effects of this Act on West Coast and Hawaiian oil refiners and shipyards; and
- the Secretary of Interior will have discretionary authority to waive royalty payments for oil field leases on the Outer Continental Shelf in the Gulf of Mexico if such waiver will make oil production from those leases economical.

(See other side)

YEAS (69)			**NAYS (29)**		**NOT VOTING (1)**	
Republicans (51 or 96%)		**Democrats (18 or 40%)**	**Republicans (2 or 4%)**	**Democrats (27 or 60%)**	**Republicans (0)**	**Democrats (1)**
Abraham	Hutchison	Baucus	Gorton	Akaka		Bradley-[4]
Ashcroft	Inhofe	Bingaman	Hatfield	Biden		
Bennett	Jeffords	Breaux		Boxer		
Bond	Kassebaum	Bryan		Bumpers		
Brown	Kempthorne	Conrad		Byrd		
Burns	Kyl	Daschle		Dodd		
Campbell	Lott	Dorgan		Exon		
Chafee	Lugar	Feinstein		Feingold		
Coats	Mack	Ford		Graham		
Cochran	McCain	Glenn		Harkin		
Cohen	McConnell	Heflin		Kerrey		
Coverdell	Murkowski	Hollings		Kerry		
Craig	Nickles	Inouye		Kohl		
D'Amato	Pressler	Johnston		Lautenberg		
DeWine	Roth	Kennedy		Leahy		
Dole	Santorum	Nunn		Levin		
Domenici	Shelby	Pell		Lieberman		
Faircloth	Simpson	Robb		Mikulski		
Frist	Smith			Moseley-Braun		
Gramm	Snowe			Moynihan		
Grams	Specter			Murray		
Grassley	Stevens			Pryor		
Gregg	Thomas			Reid		
Hatch	Thompson			Rockefeller		
Helms	Thurmond			Sarbanes		
	Warner			Simon		
				Wellstone		

EXPLANATION OF ABSENCE:
1—Official Buisiness
2—Necessarily Absent
3—Illness
4—Other

SYMBOLS:
AY—Announced Yea
AN—Announced Nay
PY—Paired Yea
PN—Paired Nay

Those favoring passage contended:

We are pleased that the Alaska Power Administration conference report is before this body and that it will soon be enacted. This bill actually has 3 distinct parts. The first part, title I, will provide for the sale of the Alaska Power Administration's assets and the termination of the Alaska Power Administration once the sale is completed. Alaskans have been fighting for this sale for over 10 years. It has been delayed because of concerns that it would serve as a precedent for the sale of other Federal power administrations. However, it is unique in many respects. First, it affects only one State. Second, the two hydroelectric projects involved are wholly owned by the Alaska Power Administration. Third, these projects were developed only to produce power, not as part of water management plans. Fourth, the Alaska Power Administration was never intended to be under Federal control permanently. Other concerns that have been expressed against this sale include that there may be environmental damage if the Federal Government cedes control and that some Federal employees may lose their jobs. Both concerns are addressed. A separate formal agreement between Alaska, private power companies, and Federal agencies to protect the environment is included, and the Department of Energy has promised jobs to any Alaska Power Administration employees who lose their jobs as a result of the sale.

The second part of this conference report has generated more controversy. That part will allow Alaska to export oil. For 21 years, Alaska has had restrictions on its export of oil. From the beginning, many of us have argued that those restrictions are not only ill-advised from an economic standpoint, but they are also unconstitutional. Restrictions were first placed after the first oil shock of the 1970s, and in 1979, after the second oil embargo, a total ban on exports was put into effect. There are 3 main objections to the export of Alaskan oil. First, it is argued that it will cost oil industry and shipping jobs on the West Coast and will raise gasoline prices. Second, it is argued that it will pose environmental hazards. Third, it is argued that it will increase oil dependency. All three claims are false. The domestic oil refinery industry should not lose jobs as a result of the export of Alaskan crude oil. Oregon and California, being the closest markets for Alaskan oil, will remain its main markets. Oil that is currently shipped through the Panama Canal to reach the next closest U.S. refineries in the Gulf, though, will instead be shipped to foreign ports. These exports will lower demand from foreign countries for oil from other sources, which will free up more, closer oil from other sources to be brought into the Gulf. Allowing oil to be sent to its natural markets without restriction will increase the amount of oil production, thereby increasing supply, lowering prices, and leading to more jobs. For shipping jobs, the outlook is even brighter, because all Alaskan oil will be carried on U.S. ships. More oil production, and moving that oil farther distances, will require more ships. Under U.S. law, any U.S. ship that is repaired in a foreign port is assessed a 50 percent fee on the cost of the repairs. With that high an assessment, we expect that U.S. ships will continue to seek repairs in domestic ports only.

The argument that it will pose environmental hazards has been disputed by the Administration. The claim of danger hinges on the fact that there will be increased oil shipments. However, the Clinton Administration has pointed out that most of those shipments will be away from coastlines, and that overall, the amount of shipping traffic along coasts will decline. Thus, because the most damaging oil spills are the ones that are near coasts, allowing exports of Alaskan oil will actually improve environmental safety.

The final argument against this section of the bill is that it will harm U.S. security interests. The opposite is true. If Alaska does not increase its production, then the world oil supply will be smaller and more susceptible to disruption. If such disruptions occur, and Alaska does not have the capability to contribute to domestic demand because its fields have not been developed, the damage will be greater. Overall, anything we can do to lower the huge balance of trade deficit we have from oil and to increase world production of oil is in the United States interests.

The third section of this bill will provide royalty relief for Outer Continental Shelf oil and gas production in the Gulf of Mexico. This production is definitely in the United States interests. As Alaskan reserves become increasingly expensive to extract, and as oil supplies in the Gulf diminish, the United States' dependence on foreign oil will increase. At the time of the 1973 oil embargo, the United States only imported 30 percent of its oil. Today it imports more than 50 percent, and by the year 2000, if new sources of oil are not developed, it will be 65 percent and climbing. Due to advances in drilling technology, it is now feasible for oil companies to drill in water of depths of 2000 feet or more. However, due to royalty costs, it is not economic for them to do so. This bill will waive the royalty requirements so that the companies will start producing this deep-water oil and gas.

The Clinton Administration and all involved Federal agencies are wholly supportive of this conference report. It passed the House overwhelmingly, and the Senate passed its version of this bill by a substantial margin as well. We are therefore confident that a majority of Senators will approve this conference report, and that it will soon be signed into law.

Those opposing the conference report contended:

We have outlined our reasons for opposing this conference report in the past. We are convinced that it will hurt West Coast refineries and shipbuilders, raise gasoline prices, damage the environment, and harm national security interests. However, it is clear that a majority of our colleagues do not share these convictions. Though it would be within our rights to try to filibuster this conference report, the reality is that it could then just be attached to the reconciliation bill, so we will forbear.